



Dependent Care Tax Credit Worksheet

Use the worksheet below to determine whether a Dependent Care FSA or Dependent Care Tax Credit works best for your specific tax situation. Once you have completed the worksheet, compare your Spendable Income (line 14) in each column to determine which method will benefit you most. This worksheet does not replace the advice of a tax advisor, so please consult your tax advisor for more details.

Please note: If either you or your spouse had no earned income for the year (unless attending school full-time), you are not eligible for the Dependent Care FSA. For more information, see the [Dependent Care FSA FAQs](#) on the FSAFEDS website.

Line	Instructions	Dependent Care Flexible Spending Account	Federal Dependent Care Tax Credit
1	Annual salary If married, also include your spouse's income.		
2	Annual dependent care expenses		
3	Pre-tax dependent care expenses Please add the amount in line 2 or \$5,000 (or \$2,500 if you are married and filing separately), whichever is less.		N/A
4	Adjusted salary Subtract line 3 from line 1		
5	Federal tax rate Enter percentage as a decimal (e.g. 30% = .30)		
6	Federal income taxes Multiply line 4 by line 5 (your federal tax rate %)		
7	Social Security and Medicare taxes Multiply line 4 by 7.65%		
8	State tax rate Enter percentage as a decimal (e.g. 7.5% = .075)		
9	State income taxes (if applicable) Multiply line 4 by line 8 (your state income tax rate)		
10	Total taxes Add lines 6, 7, and 9		
11	Take-home pay after taxes Subtract line 10 from line 4		
12	After-tax dependent care expenses Subtract line 3 from line 2		
13	Tax credit (see worksheet below)	N/A	
14	Spendable income Subtract line 12 from line 11, then add line 13		

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Calculating the Tax Credit		
1	Annual salary See line 1 above	
2	Annual dependent care expenses Line 2 above	
3	Dependent care expenses eligible for reimbursement If you have expenses only for one child, enter the amount from line 2 or \$3,000, whichever is less; If you have expenses for two or more children, enter the amount from line 2 or \$6,000, whichever is less.	
4	Tax credit % Find your tax rate in the chart below and enter the percentage shown. Enter percentage as a decimal (e.g. 20% = .20)	
5	Tax credit Multiply line 3 by line 4. Enter this amount on line 13 above.	

Please note: The IRS allows a maximum of \$3,000 for one child or \$6,000 for two or more children when determining your tax credit. For more information, see IRS Publication 503, [Child and Dependent Care Expenses and Form 2441](#).

If your adjusted gross income is:		Then the percentage for determining the tax credit is:
Over:	But Not More Than:	Tax Credit %
\$0	\$15,000	35%
\$15,000	\$17,000	34%
\$17,000	\$19,000	33%
\$19,000	\$21,000	32%
\$21,000	\$23,000	31%
\$23,000	\$25,000	30%
\$25,000	\$27,000	29%
\$27,000	\$29,000	28%
\$29,000	\$31,000	27%
\$31,000	\$33,000	26%
\$33,000	\$35,000	25%
\$35,000	\$37,000	24%
\$37,000	\$39,000	23%
\$39,000	\$41,000	22%
\$41,000	\$43,000	21%
\$43,000	or more	20%